

City of Cave Springs
City Council Meeting – Illinois River Water Shed
September 6, 2016

Call to Order

Jay Finch officially called the meeting to order at 6:30 pm. The meeting was opened with prayer by Tim Nelson.

Roll Call

Mayor Travis Lee	Absent
Mary Ann Winters	Present
Larry Fletcher	Present
Brett Moore	Absent
Marc Williams	Present
Jay Finch	Present
Joan White	Present

Others Present

Kimberly Hutcheson, City Recorder / Treasurer
Tom Gheen - Accountant

Jay: We would stand to do the pledge of allegiance but we do not have a flag. So asking Tim Nelson was asked to pray.

[Prayer by Tim Nelson]

Jay Finch: This meeting tonight is called by the Mayor, unfortunately, I am sure by now you have all heard by now that he has had another tragic death in his family, so he couldn't be here tonight so he asked me to lead the meeting. Sometimes the only good luck you have is bad luck. One of the things I will say about this meeting we are not here to make a decision tonight. We are here because the mayor felt that the City Council needed to know why he had taken action he had taken concerning Kimberly Hutcheson, who serves as our Treasurer/Recorder. He had intended for this to be in an executive session but because Kimberly fills the position of an elected official we cannot be in an executive session. All of the things that you will hear discussed are things that I can assure you we preferred would have not been made public, but that's the only way we could deal with it tonight. The way this works is, I will go thru the various allegations that the city has, mind you that I am not the Mayor and I do not have firsthand knowledge of the events that are set out here. My job tonight is to bring this information to the City Council. On each of the points as they arise, Mrs. Hutcheson will have the opportunity to respond if she wishes. Ok, that's how were going to go tonight. I would prefer tonight that we do not resort to accusations and re-criminations and name calling because it won't get us anywhere.

In no particular order; on the 31st of August in a meeting with the City Treasurer the Mayor says that this was regarding her attitude towards the City decision terminating Joe Powell. Kimberly has changed the locks on her office door and never brought it up with anybody in the administration. During the week of Powell's suspension and termination, Kimberly has closed both office doors as you enter the City Hall. Where the offices are, you come up a flight of stairs and to the right is an office where some people that work for the city are and Kimberly's office is behind that. The behind door is the one that she changes the locks on so that no one can get in there but her. But she then closed the office door outside of that. And according to the allegation here, isolated herself and the staff that works in the office almost entirely from the rest of City Hall.

Approximately a month prior to the incident, the City reorganized, I say the city, the Mayor reorganized the chain of command due to growing duties in HR, payroll, accounting, and other areas of the City. The reason why that was done according to the Mayor here was because Kimberly indicated that she was having to do other people's work so much that she couldn't get to her own. So he decided to change some of the duties putting the back on other people instead of giving them all to her to do. Thereby reducing her workload so that she could get to the things that are required by law. Because of that the front office duties dramatically grown of phone calls, permits, inspections, construction zoning approvals. At the time Mrs. Kimberly was overseeing the front office, was acting office manager, accounting, accounting for water and sewer, managing water and sewer, 0 court fines and personnel issues, so some of those things were taken away. Now that is the position, if Mrs. Hutcheson wishes to make a reply she may.

Kim: I actually have several responses to that. Do have an extra one of those pieces of paper that I could go over and look at, if at all possible?

Did the Mayor and I have a meeting on Wednesday evening, yes, we did have a meeting Wednesday afternoon. He emailed me and asked me if I would come to his office at 2 o'clock to visit with him and I went up there to discuss this. He asked me why I didn't trust him. I told him I didn't agree with the situation with Chief Powell and the way that things were handled with Chief Powell. And I also told him that I don't have to agree with him, that we are adults, that we needed to agree to disagree and move on. But ultimately, I did not have to agree with the Mayor. I'm an elected official just like the Mayor and you on the council. You don't have to agree with everything with the Mayor over here. It's just humanity, you don't agree. At that time, he told me that being that I didn't like his decision, his last words to me were, I will make it a point that you will never be able to speak to any of the staff employees ever again. And he told me that two or three times and I said, you know what Travis, we're done. And I got up and walked out. If he is going to make it where the employees cannot discuss or talk to me whatsoever. I deal with HR, I deal with all medical benefits, all retirement, payroll, anything that happens with HR, they come to me. So if he is going to make that wall between myself and the employees, then we automatically have an issue.

As for locking my office, yes I did change the locks on my office approximately two weeks ago. And did I tell him, no. Do I feel that he needs access to the City Treasurers Office, no. That is where I keep all of my financials, I keep all the city checks, I keep all of our employee documents and the only person that needs access to the City Treasures Office is myself. If somebody needs access or needs anything, an ordinance or resolution, anything whatsoever, come talk to me and I will give you anything I've got, but you cannot make yourself welcome in my office when I am not there. So yes, I changed the locks on my office. After I found out that there's a couple of employees in City Hall that have master keys that didn't need a master key, yes, I changed the locks.

Jay Finch: In who's opinion, do you believe, didn't need a master key?

Kim: Nathan Coy did not need a key.

Jay Finch: In who's opinion do you believe that who's decision is that to make?

Kim: That's my decision.

Jay Finch: Why?

Kim: Because he is a police officer/code enforcement. He does not need access to financial records.

Jay Finch: Master key. We are talking about a master key. Why is it your position to decide who does not get a master key?

Kim: Because ultimately, I myself as the Recorder, is responsible for all city property. And if they are coming in when I am not in my office and helping their self.

Jay Finch: Did you not communicate all of this to the Mayor and explain why you are doing this?

Kim: No, I communicated it to Larry Fletcher. I spoke to Fletcher about it.

Jay Finch: Why did you communicate it to an alderman and not to the Mayor?

Kim: Number one, the Treasurer is responsible. Ultimately the Treasurer is responsible for the financials, it's really not his choice.

Jay Finch: Has someone been in your office taking things?

Kim: Yes. They haven't taken anything, but they were borrowing.

Jay Finch: Like?

Kim: Copies of my ordinance books.

Jay Finch: Aren't copies of ordinance books public record?

Kim: They are public record, but my office isn't public record.

Jay Finch: Ok. Anything else before we go on?

Kim: When it comes to the front office duties. Yes, he came in, called me in a meeting and told me that we were going to take the front office duties and the girls I'm going to take that responsibility from you as the office manager, I said great perfect. Because all

that is down there is a lot of drama and I don't want to deal with it. So I said if that's what you want to do, perfect. So he made Charlie Holyfield, our Vice Mayor, responsible.

Jay Finch: Did you go to the Mayor or go to someone before this meeting and say, there's too much drama in the front office and while I'm the manager of it, I don't want to mess with it?

Kim: We had that discussion numerous times. Yes, Charlie, myself and Travis and Chief Powell was in that meeting as well. And I think Nicole was in that meeting a couple times as well. We have a lot of issues with the ladies up front.

Jay Finch: That's kind of common isn't it?

Kim: When you get three women crammed in a small little office and you get that much estrogen in there, of course you're going to have a bit of drama.

Jay Finch: And you didn't want to mess with that either, did you?

Kim: They didn't feel I could handle it, so they gave it to Charlie and I said that's fine.

Marc Williams: I would say that you were according to the additional ordinance, being the recorder and the treasurer, do you really feel those are duties you should have been doing anyway?

Kim: After reviewing with the other City Clerks in the State, no. They are not an office manager, they deal with their employees in the finance department, but they don't have to deal with everybody else's employee issues or drama in the city.

Marc Williams: And there's a reason why. The position requires a lot for focus in my mind, right?

Kim: Yes.

Marc Williams: Because you are accountable ultimately, of the city's finances.

Councilman: I'll remind you and the council, that when Mrs. Hutcheson was appointed or shortly thereafter, there was an appeal to the City Council that she be given additional duties in order to relieve the problems of the Mayor having to uphold, with the administration detail day in and day out. So the council applied those duties and gave them to the city Treasurer/Recorder. She happily took them on and she was paid additional money in order to do those additional duties.

Councilwoman: My understanding is that we took your last position and your employment in this office combine the two separate two to make one full time position. Is that correct?

Kim: I first came on in June as the City Recorder, that's all I did was City Recorder. And then when Penny got release of her duties in July of last year, that is when I came on in October of last year and my position became recorder/treasurer, treasurer/recorder. I was kind of thrown into a lot more than what it was approximately a year ago. As the city grows and we have more people more employees, you know.

Jay Finch: Is that all on position one?

Kim: Yes, Sir.

Jay Finch: Number two. In mid-July, I met with investigator Steve Spraggins with the state of Arkansas Finance and Administration. Investigator Spraggins indicated that Cave Springs had not paid sales tax in several months. Mr. Spraggins stated that they had contacted administration at City Hall and spoke with Mrs. Hutcheson. Hutcheson assured them on numerous occasions that the tax would be paid. Subsequently, fines and costs were piling up for non-payment. He offered to visit with administration in person rather than on the phone. Investigator privately denying he spoke with Kimberly and handed me a copy of the documentation. When asked ?? stated he was not allowed or authorized to hand over the documentation. Mr. Spraggins explained the payments were not made due to errors on state side and on City Hall side. A letter also sent from City Hall requesting that fines be dropped due to City Hall changing software programs and turnover. Mrs. Hutcheson?

Kim: Tom, can I get you to speak on this one?

Councilman: You have to respond to these.

Kim: Tom is the one that actually dealt with Steve Spraggins, it was not myself. So all of this is not true. Tom is who Steve Spraggins dealt with and the Mayor sat down and had a phone conversation with Mr. Spraggins on the phone and I did not do anything. What was going on with this whole situation is that when the water and sewer have to pay sales tax for your water and I'm not sure if you all know that, but every month by a certain period of time the city has to pay a check of a percentage of your water. What was happening is, when Amanda took over it never got paid or she would pay it late. So then Tom and I were playing catch up. And there's a lot of times the state will send us a, and they just did it last month, for the last three or four months the payment has not been late, they send me a letter stating that their payment is late. She tells me that it could take up to 60 days to process a check. So they are going to send you a late fee and then go back and take the late fee away after you've already made the payment.

Councilman: Who makes those payments?

Kim: I make those payments.

Jay Finch: Based on what documentation?

Kim: Based on the documentation on the sales of the water.

Jay Finch: Alright, anything else on that?

Kim: No. But that was a Tom and the Mayor.

Jay Finch: On position number three. On June 29th, 2016, Tracy Warfe, Director Arkansas Local Police and Fire District requested information from Kimberly regarding a Fire Department employee being fired. Kimberly responded the following day and Tracy responded the same day, clarifying the response from Kimberly. Tracy sent four more requests July 1-13 asking for the information. The final email from July 13th stated, could we please get a status of the requested information? Mayor says, I was included on the email chain, subsequently I emailed Tracy, apologized for the lack of response and eventually got the requested information. And there was an exhibit A which shows all of the emails back and forth, numerous emails asking for verification.

Kim: The Mayor decided that he wanted to go in and change the LOPFI requirements for the Volunteer Fire Dept. He wanted to make sure that the volunteer fire department actually worked before they could start drawing their retirement. And the way it is with the Police Department is, the part-time division for the Police Dept. has to work 8 hours a month to be eligible.

Jay Finch: This remark is about your responding or not responding to a person who is asking for information.

Kim: I am getting there.

Jay Finch: Did you respond?

Kim: Yes, I responded numerous times and I have emails showing that I responded numerous times. And the last email that he got from her, I was actually at a wedding in California and I still responded to her while I was out in California.

Jay Finch: Ok, so why was it do you think that the Mayor says he had to respond to and settle the matter?

Kim: So instead of calling me and saying, Kim do you have this taken care of. He goes in and asks Jaci, give me the entire employee file on this employee and he sends the entire employee file. That is not what she needed, so he even sent her the wrong documentation in the first place.

Jay Finch: Travis is not the one being interrogated here.

Kim: I get it.

Jay Finch: So the question is, did you appropriately respond or not?

Kim: Yes, I appropriately responded. But I had to get my answers from the Fire Chief before I could actually respond to her and give her a correct answer.

Jay Finch: So the problem was, you couldn't get the Fire Chief to respond?

Kim: No. I kept email the Fire Chief and emailing the Fire Chief because I needed a list of how many hours his Fire Dept. worked before we could...

Jay Finch: Did you take this communication problem to the Mayor?

Kim: I talked to him numerous times, I even talked to him in a department head meeting on Monday and advised him the same thing, that I was trying to get this information from our Fire Chief.

Jay Finch: Ok, number four. In mid-July I had a discussion with Kimberly regarding all responsibilities, especially regarding reconciling the books. She then stated that she thought that Tom Gheen was supposed to reconcile the books. I informed her that this was her duty. On August 2nd, 2016 I had another discussion with Kimberly regarding her behavior towards staff and uncompleted documents including again, reconciling the books. She then chose to tell me that she couldn't do her work because she was cleaning up after Jaci's filing, etc. Even though an issue with Jaci had never been raised before. The next day we met with Jaci and she was moved downstairs. At this time the city had restructured and organized its chart differently. This was presented at two weekly staff meetings on July 18th as a preliminary example and again on August 1st as a final version. In both meets I discussed the reasoning behind changing of Kimberly being the manager was because she was not able to keep up her primary role as the Treasurer/Recorder of the City of Cave Springs including that roll. I cannot say it has or hasn't been done, I am not confident one way or another.

Kim: I took this position over in October 2015 and Tom had always done the bank reconciling. He is our second set of eyes for the city and as of/per this piece of paper, he's telling me as of July 18th, 2016 that it is my responsibility.

Jay Finch: Isn't it always the City Treasurers responsibility to reconcile the books?

Kim: It never has been in this city before, No. Because up until July 2016 is when he is telling me it's my responsibility to reconcile the books. Because Tom Gheen has always reconciled our books since I have been there.

Councilman: Tom Gheen hasn't been there longer than you have?

Kim: Tom Gheen was here when Penny was here.

Councilman: He was just doing administration.

Kim: Well when you fired Penny and then Amanda came and took over, Amanda just totally completely just destroyed the finance department, so it has taken us a long time to even recover the four months that happened with Amanda.

Jay Finch: So are you saying that you have or have not reconciled all of the books, check books and other accounts as of today?

Kim: They are not caught up, no. But are we working on them, yes.

Jay Finch: Number five, Kimberly also has a personal business in Cave Springs and has no record on file of building, business, plumbing or other permits.

Kim: Yes, we've had a business in Cave Springs for three years. And for the last three years we have purchased a business permit for our haunted house. Now do I need a plumbing permit, no. We are not doing any plumbing. Do I need a building permit, no. I do not need a building permit because I have spoken to Craig Southern and we are not actually going in and changing the footprint of the building, we just go in and build temporary walls?

Jay Finch: Is that factually true?

Kim: That is factually true. I would not lie to you.

Jay Finch: Well ok. We're moving forward.

Jay Finch: Number six, on numerous occasions during the time Kimberly has worked in the City Hall she has been in the middle of several disputes between other employees. Disputes so intense that people quit because they feel harassed and intimidated by Kimberly.

Additionally, Kimberly in regards to the key fobs system, Kimberly was arbitrarily take away or grant access thru the system based upon friendships of employees. After a direct order from me to grant access to Nicole to the front office, Kimberly complied. Days later the status was revoked without my knowledge. Nicole attempted several times to resolve the issue without my help, but was never granted access. After several weeks the issue was brought to my attention and again I directed for Kimberly to grant access, again this request was denied without my knowledge. A similar incident took place with a master key for Nicole, but in this instance I was out of town. Eventually I put in a call to Kimberly to get a key to Nicole. Similar circumstances happened several times, with a

directly given, but were never granted by Kimberly. On each one of the incidents a verbal counseling was given to correct each. But I will say, this is one in a number of instances in which there is a great deal of complex between employees in the city and Mrs. Hutcheson. Several people have made statements about that, have given written statements to that effect and it's one of the major reasons why I think the Mayor took the actions he did. Mrs. Hutcheson.

Kim: It's my responsibility as the City Treasurer to protect the city's finances. We have a cash office downstairs that collect all of the money for the city, water payments, court payments, any type of payments what so ever. And when we put that office together and we put a fob lock on there the comment was made by the Mayor was, this is a cash office, we are going to treat it like a cash office, just like a Walmart. Nobody comes in this office except the people that have business in here and that will be collecting money. So when Nicole asked to have access to the cash office, I said no. She doesn't collect money; she has no business in that cash office. I'm sorry.

Jay Finch: What is your understanding of Nicole's position?

Kim: Nicole is the assistant to the Mayor. She does not do any financing.

Jay Finch: Ok and so if the Mayor said he wanted her to have access to that area for reasons other than having access to the money doesn't he have the authority to grant that?

Kim: No, it's called checks and balances. The more people that are in and out of that office...

Jay Finch: Mrs. Hutcheson, doesn't he have the authority to say who goes in what office in his own City Hall?

Kim: No!

(Several members of the crowd all yell, NO, NO!)

Jay Finch: (Hits table) No more outbursts or it will simply be over!

Crowd member: Is he financially responsible?

Jay Finch: Yes, he's financially responsible.

(Again several members of the crowd yell, NO, she is)

Jay Finch: We are not doing this! Kimberly you are responsible, (correcting himself) responding.

Kim: And I am responsible, that's right.

Jay Finch: (correcting himself) You're responding.

Kim: And I'm responsible. So with that being said, I said Nicole does not need access to the cash office because she does not collect money and she does not receipt any money. So I said no. When I came to the master key, I asked Travis when he fired Amanda, he said hey I need to go in and re-key the entire City Hall. So he said call the locksmith, re-key City Hall. So that's what I did. I asked him, who do you want to have a master key? He said I only want the department heads to have a master key. I said, who would that be? He said the Police Chief, myself and you and Charlie Holyfield, are the only people that need a master key. I said ok perfect, so that's what I got. Then Nicole got upset that she didn't get a master key and calls Travis and says, hey I need a master key. So I called Travis and said, Travis do you want Nicole to have a master key? He said yes and she got a master key.

Jay Finch: Did you give her the master key?

Kim: I had the locksmith come and give her a master key. It was just that simple. Does she need a master key, no.

Jay Finch: It's Travis' responsibility. He can say who gets a master key and who does not.

Km: He can say what he wants but I don't have to agree with him.

Jay Finch: He is the Mayor. Whether you agree with him or not, do you understand that those kinds of fights need to be dealt with internally and in a big brew-haw-haw between you and the employees.

Kim: We didn't have a big brew-haw-haw between me and the employee. She got a key.

Jay Finch: OK. Prior to another employee becoming a certified Deputy Recorder, the minutes for the City Council packet was consistently late according to the associated press.

Kim: When Nicole started, she took over the packets for the City Council meetings. That was one of her job duties that was given to her by the Mayor. And I had absolutely no idea what was going on in City Council until she gave me a packet the same day that you all got a packet. Because that is what the Mayor gave her.

Jay Finch: I'm talking about the minutes from the City Council were consistently late.

Kim: No, no. Because she gives them to Nicole.

Jay Finch: So you deny the allegations, is that what you are saying?

Kim: Did you all get them in your packet for Council?

Jay Finch: He says that they were consistently late.

Kim: You got your minutes in the Council packet. So if they were late, you wouldn't have got them.

Jay Finch: Ok. So in your world, if you walk in and hand them out, that's fine?

Kim: I never handed out minutes at a council meeting.

Jay Finch: If you did that would be fine?

Kim: IF. You just said right there that I never did.

Jay Finch: If. But in your world that would be ok?

Kim: No, because I didn't do that. That's what I'm saying, coulda, woulda, shoulda. That's not what happened. If you got the minutes before the council meeting, you got your minutes.

Jay Finch: How far before the council meeting?

Kim: What's the requirements?

Nicole: The ordinance says four pm on the Friday before.

Kim: And I always have always gave you my minutes so you could get them to the council. And I don't think she [referencing Nicole], can speak at this meeting. If they can't speak, she can't speak.

Jay Finch: You're not in charge, I am. I am in charge of this meeting and you work for us. This is not a democracy and I don't care how many of you show up. Just because you are out there yelling doesn't mean that you can tell me what I can and cannot do.

(Several crowd members yelling and commenting)

Jay Finch: She has threatened to not pay salaried staff if their timesheets aren't turned in on time, even though the timesheets aren't required for salary designated staff. Otherwise, as something that started as an accountability.

Kim: The timesheets yes, that was my idea because what was happening is, we had a lot of salaried employees that would never fill out...

Jay Finch: Did you ever threaten that you wouldn't pay them?

Kim: No, no. Every city employee has always gotten paid. Every one of them.

Jay Finch: Always on time?

Kim: Not necessarily on time because Travis has decided to throw a kink in it and use a payroll company. And now he wants to try another payroll company.

Jay Finch: Oh, so this is on Travis again?

Kim: No, I'm telling you the truth. You asked me the truth and I'm telling you.

Jay Finch: You maybe, but we get to decide that, not you.

Kim: You know what, I have to meet my maker and I'm telling you the truth, Judge.

Jay Finch: Alright. So you have never threatened somebody that they would not be paid?

Kim: Absolutely not. Here's the thing, I legally cannot pay an employee unless they turn in a timesheet because I have to have a signature from the employee.

Jay Finch: Not true if they are salaried. You don't know that.

(Crowd speaks out, agreeing it is true)

Jay Finch: You don't know that.

Kim: Judge, I have a background in HR, I know that.

Jay Finch: Number nine, Kimberly asked Anna Betts to represent her on a personal matter and Mrs. Betts declined as she represents the city. Mrs. Betts has not been paid for her work since this incident.

Kim: Travis is the one that said hey, you need to call Anna. Call Anna and ask her, because it was a city issue.

Jay Finch: It is a matter of, did you pay her or not?

Kim: She did send me an invoice, number one. And Travis is the one that said call her, because elected officials get free legal advice. So I called her.

Jay Finch: And what did she say?

Kim: She did not send me an invoice, number one. And she said and I quote you, there's really nothing that you can do about it.

Jay Finch: Did she not want to work for you because you did not pay her?

Kim: No, No. How we bill Mrs. Anna Betts for the city is, she is on a retainer. So we could use her 400 hours or we could use her 4 hours and we still pay her the same amount. So it doesn't matter if I call her regarding a situation regarding the city.

Jay Finch: Because it would be spending city money to pay for your matter.

Kim: No. No. Good try, but no. No absolutely not, Judge. You know when I sat and had a meeting with you Tuesday after the work session, you said Kim you are the most honest person that I've got here and you aren't going anywhere. And now here you are trying to lynch me.

Jay Finch: Kimberly, the only conversation that you've had with me was to go off about the firing of the Chief.

Kim: Where's Brett? Brett was standing right there at that meeting Tuesday night in the parking lot after the work session.

Jay Finch: That's right, the only thing that you went on to me about was about Joe Powell.

Kim: No, it was not. I told you, you can quote me or whatever you want, because I don't care. Because like I said, I have to meet my maker and I am telling you the truth. I sat here and I told you, I said Judge, there's some things that's going to go on in this city and

you are going to be shocked. And I said I don't know if I can legally handle this anymore. I said I have about hand it up to here because Travis is doing some things that he shouldn't be doing. And that was Tuesday night.

Jay Finch: Not what you talked to me about the other night.

Kim: No.

Jay Finch: Number ten, USDA overdue notice for 2015 reports. See exhibit B.

Kim: A USDA overdue notice? We get statements every month from the USDA that says how much money we have spent, what our interest is and what we have paid yearly, up to date. And I even called them and said what is this notice for the USDA and she said Kim, that is not an invoice, that's just a statement on how much you would owe up to this point, she said but you make your payments. We have like two or three, being that I'm not really sure on this USDA being it's my first year, she said you only have a couple payments a year that you have to pay on with USDA. And I think you're in charge of the water and sewer department, so I think you would know that.

Jay Finch: On this exhibit from the USDA, it says please respond within 15 days of the date of this letter to notify our office why these annual reports have not been forwarded in a timely manner, or just forward the required items. There's about eight or nine of them and it has not been done.

Kim Who is that addressed to?

Jay Finch: It is addressed to the Mayor.

Kim: There you go. I don't open the Mayors mail.

Jay Finch: Are you saying, that because this letter came in addressed to the Mayor that you never saw it.

Kim: This is all I've got. I don't know what you're looking at.

Jay Finch: You've never seen this letter?

Kim: I don't know what you're looking at, Judge.

Jay Finch: Have you ever seen this letter?

Kim: Being that it's addressed to the Mayor, Travis Lee. Number one, I don't open his mail and I do not check his mail. I get his mail from the post office and I put it straight in his box. I don't open it and 90% of the stuff just sits on his desk, because he is never there.

Jay Finch: This is not about him.

Kim: If it was addressed to me, I would have handled it.

Jay Finch: You are the ones that responsible for these kinds of issues.

Kim: I've got to have paperwork first.

Jay Finch: Are you saying you never seen it?

Kim: I don't know what that is, I've never seen it.

Jay Finch: Number eleven, she has implied things that are not true about other staff and has used intimidation and coercion to control who her subordinates could and couldn't talk to. (When she had office manager position). And has continued to operate as manager while mistreating from office staff. Stating it does not matter what the organizational chart says. She has been a source of gossip regarding staff at City Hall. Please see attachment C. Your response?

Kim: I want to see what exhibit C is and if I've got that much power, maybe I should run for Mayor. Ok, that is Larry. Larry lost his badge out in the parking lot. Justin Eichmann lost his badge out in the parking lot. Neither one of them called to say hey, I lost my badge in the parking lot so I held onto them to wait and see how long it took them to say hey, I lost my badge in the parking lot, to City Hall.

Jay Finch: Why did you do that?

Kim: Why didn't they call me and say, Hey Kim?

Jay Finch: Why didn't you go to them directly and say we found this in the parking lot?

Kim: Because Larry had two badges.

Jay Finch: Isn't that your responsibility? Why didn't you?

Jay Finch: Paying people. Refusing to cut checks, reimbursement checks, customer checks, painting PD vehicles, Chief or Rick asking for checks to take with them to pick up a vehicle, not going to do it because she was mad at them or hated them?

Kim: ok, not giving Larry all of the address for Census because he asked for them because I hated him?

(Laughter from several members of the crowd)

Jay Finch: Right.

Kim: Seriously?! Number one, the law states that the city is not allowed to handout or give any information to anyone asking or requesting any addresses or personal information what so ever, if you are a water customer. That is a homeland security law and that's what I went by. I called Justin, I even called David at the Arkansas Municipal League to verify it. David and Justin said yes, Kim you are right. And he even had this same conversation with Larry. So then we did find out that Fletcher was eligible to get these addresses because he is a part of the City Council and part of the City. And he was working on something to do with the downtown water sewer department. So at that point He got them. But I wanted to make sure the city was covered before I gave those addresses out, because ultimately, there again, if I give out everybody's address on water and sewer, everybody is susceptible. And it's just wrong.

Jay Finch: Did you refuse to cut checks, reimbursement checks for painting PD vehicles? Did you refuse to cut checks allowing them to pick up a vehicle because you didn't want to do it?

Kim: No, absolutely not. The only time I questioned the Mayor on any vehicle was when Travis got approved to purchase a city vehicle for himself by the Council. The Council said we will purchase you a car, but you will not, will not make this car a police department vehicle. That means you will not put lights, sirens, radio or nothing in it. He made me write two separate checks, one was for the \$29,000 for the car and the other one was for \$4,000 for lights, sirens and radio for the car. That's why I questioned him. I said Council did not approve these purchases. He said write two separate checks, they won't know that way.

Jay Finch: Did you ever refuse to give the Chief a check for something that he needed to go and do something with?

Kim: No. Absolutely not.

Jay Finch: Never?

Kim: Ever.

Jay Finch:

Kim: I would say call him, but...

Jay Finch: Have you ever told anybody that you wanted the Mayors job? Told them that the town was impeaching him and that you were in line to be Mayor? And also that you'll be running for Mayor if he did not get impeached and that Nicole would be the first to go?

Kim: My question was, when this all went on with the Mayor.

Jay Finch: Did you say these things?

Kim: No, No.

Jay Finch: If you categorically deny it, then there's no reason to go on.

Kim: Yes, there is, let me finish. Because the question is, I said if something happens to the Mayor or if he gets recalled, what's going to happen to Nicole? That was my question. I'm in HR.

Jay Finch: Why would you be worried about Nicole?

Kim: She's our employee there. That's my job to worry about employees.

Jay Finch: I don't think that's why you asked, was it?

Kim: Nicole and I, we didn't see eye to eye but we worked out our differences in the past couple of months and I thought everything was fine. Her and I were getting along fine.

Jay Finch: Did you work out your differences with the women in the front office? Such that, they would be happy to come sit and talk with you?

Kim: Let me explain really quick. May I?

Jay Finch: You don't have to.

Kim: Oh I want to. You asked me a question and I'm going to answer. Stephanni Wood is a gal that works in the front office and she was my office manager at our detail shop in Bentonville. So I've known Stephanni Wood for many years. Sara Kirby, I know her family as well. I've known them both way before they even worked for the City, so they both know. And Julie, I've known Julie for 30 years.

Jay Finch: Now you were responsible for bringing a good many of these people on board, now weren't you?

Kim: Exactly. And you know why, because I could trust them. That's why. But Travis has called three of the five women at City Hall into his office on Friday. And I think you were there for a lot of the meeting that you call them in. And they felt intimidated, bullied and that if they did go on Travis's side that they were going to get fired. So they really didn't have a choice.

Jay Finch: Is that your opinion?

Kim: No, that is what they told me.

Jay Finch: Is that your opinion?

Kim: No! That not my opinion, because that's what they told me.

Jay Finch: Well what they told us, they wrote down.

Kim: Well that's ok. If I was afraid of losing my job, I would probably write down anything as well.

Jay Finch: Yea well that's what they were afraid of, because of you.

Kim: Well I'm not the boss. You took that job away from me.

Marc Williams: You know what Kim, you're at a disadvantage here, because you've got a prosecutor, that's supposed to just run the meeting, but is prosecuting you.

(Crowd cheered loudly)

Marc Williams: (Yelling) I'm embarrassed! Shame on you Judge. You know what the problem is, you are smearing this lady. I have heard nothing but good things about her service thru Travis, talking about how during the floods she has in there on Saturday cleaning up, working 60 hours a week. Travis has said so many good things about this young lady and now we have this smear campaign. Most of this stuff doesn't even apply to her job. She is a publically elected official. What's the outcome here? There's nothing we can vote on.

Jay Finch: My job here is to state what the City's position is. I do not have personal first-hand knowledge of anything, therefore I present the information I have been given in the best interested of the City.

Kim: You interjected your opinion every single time.

Jay Finch: Well that's my job.

Kim: Then read from the script you were given.

Councilwoman Winters: Why couldn't this meeting be ran by one of the other councilmen and not just you?

Jay Finch: Did you say that you were not going to pay BJ the \$57,000. Because you said he was not going to make that kind of money?

Kim: Absolutely not. I had two files in BJ's files. I said BJ I'm sorry. I had two write ups on BJ. One was done that said we were going to give him a \$45,000 is what his pay scale was going to be. And then I had one that was a short two sentence little write up, that said on this date we're going to give him \$52,000. And it was stamped, it wasn't even signed by him. So I called him. I said hey, what's going on? I've got one thing that says I can pay him \$45,000 on this date and then I've got another paper showing to pay him \$52,000 on this date. So I don't know where you are coming up with \$57. That is wrong. So I questioned him on it, I said Mayor do you realize that that's a \$12,000 raise. And this man is not completely certified in Building Inspection with all of his certifications yet. Because the first letter said that he had all of his certifications to receive this pay, but it wasn't a raise it was just his salary. So I questioned him on it. Shouldn't I? That's my job, so that's what I did. At first he said that is kind of a lot of money to pay, \$12,000 is a lot so go ahead and pay him \$45,000. I said ok. So that is what I did. So then he comes back and talks to BJ and he told BJ that this is what he is going to make. So after he and BJ had spoken he said you need to go ahead and pay him the \$52,000. So that is what I did. That pay period I think he got three checks. One small check, one for the \$45,000 and one for the difference in the \$45,000 and the \$52,000.

Jay Finch: Who do you call for help with payroll?

Kim: We have a payroll company. It's called The Payroll Company.

Jay Finch: And?

Kim: That's who I call for payroll. That's who Travis hired before I started.

Jay Finch: Ok. And who do you deal with when auto drafts are messed up?

Kim: Auto drafts. Well it used to be Heidi, then Heidi quit. Then I dealt with Jennifer and now Jennifer is gone. So now I had to deal with somebody else last week.

Jay Finch: Court money came up missing and you told several people not to tell the Mayor. Why is that?

Kim: That, I have no idea what you are even talking about. We have not had any court money come up missing. What happens is, Jaci receipts the court money, Grace takes the court money, she posts it to the warrants on her side of the court and then I take her money after it is balanced by two different people and then I deposit it. That is all I do with court money.

Jay Finch: And so you would know whether money was missing or not?

Kim: Umm, there is no money missing in court.

Jay Finch: Ok. Your relationship to Officer Coy?

Kim: You missed one.

Jay Finch: I already looked over that. It's not a sentence. It doesn't make sense.

Kim: It doesn't matter, it's still on here at this point.

Jay Finch: I'm going to skip it.

(Crowd complains)

Jay Finch: You all can go over it later. I am skipping it.

Kim: No, this is on the agenda.

Jay Finch: Hates Coy because he is Travis' favorite. Wanted him fired. Tried several times to get the Mayor to fire him.

Kim: Umm, do you really want me to discuss Coy? In a public forum?

Jay Finch: Sure. It's legal.

Kim: Ok, Coy. Do I not like Coy? You bet I don't like Coy! Has Coy done some things that should have got him fired?

Jay Finch: What difference does it make that you don't like him that pertains to his job?

Kim: Coy is not a good public figure for the City of Cave Springs. That's why I don't like him.

Jay Finch: That is your opinion. You don't like him, but you still have to deal with him. He is hired by somebody else, right? Not like us. You still have to deal with us. You still have to deal with him.

Kim: Honestly yea, I do still deal with Coy. He calls me, he'll text me, he'll email me and I'll deal with it. Do I agree with the things that have happened with Coy? Absolutely not! And should have he been fired? Yes, numerous times he should have been fired.

Jay Finch: That's your opinion, right?

Kim: No, that is not my opinion. Because if we fired him then that would make his personnel file FOIA. That is the only reason he didn't get fired is because the media would have caught on to his file and the city would have been in a ringer. That is the Only Reason Coy didn't get fired.

Jay Finch: That is your opinion but do you have documentation of that?

Kim: Do you really want me to discuss that in here?

Jay Finch: Do you have documentation of that to be correct?

Kim: Let's call Benton County, let's call Arkansas State Police. When they did the investigation where Coy decided to do a shootout on Benton County time in Walmart parking lot.

Jay Finch: Is that our business?

Kim: Yes, it is our business!

Jay Finch: Is that your business?

Kim: I am HR then that is my business.

Jay Finch: How does that fall in you HR capacity?

Kim: It did, because he was put on paid administrative leave, so it did come in my capacity.

Jay Finch: Ok, so he received a punishment?

Kim: Actually no, he didn't receive a punishment. The only thing that Coy received is that he was dropped down from a lieutenant to code enforcement. He got the same amount of pay, he got to take home a police car and he still carries a gun.

Jay Finch: And you don't like that and you wouldn't have done that if you were mayor, right?

Kim: It has nothing to do with me being Mayor. It's right and wrong. It's black and white, Judge. And I think that you would have tried him like no body's business if he stood in front of you in court. And we won't even discuss the fact that he was caught doing 105 miles per hour down the center lane in Tontitown and nothing happened to him. That was in our patrol car.

Jay Finch: Talking about other employees and previous employee's personal business, payroll information, HR and non HR employees.

Kim: When employees come in to talk to me, that's it. I deal with employees; they talk to me. Travis likes to have these grassroots meetings where he calls everyone in. And after they sit and talk with him, then he runs his mouth to all of the department heads about what's going on and he's stirring it up.

Jay Finch: Do you knowingly and admittedly give the cold shoulder to certain employees while publicly praising other employees?

(Crowd boo'd)

Marc Williams: What does that have to do with her job?

Kim: I am not answering. That is ridiculous! Go to the next one.

Jay Finch: Do you give various the employees the silence treatment when you don't like something they do?

(Crowd Booing again)

Kim: Next question.

Jay Finch: Purposely locking out City members key cards due to you not liking them?

Kim: No. Larry had two cards. One of them worked, one of them didn't.

Jay Finch: Telling an employee that they are getting a raises because another employee is getting fired? And saying that the soon to be terminated employee just doesn't know yet?

Kim: What? That is another one of those stupid questions. Next.

Jay Finch: As a matter of fact, something was brought up by more than one employee, that you told them that their raise or next raise would depend on who was getting fired and that you knew an employee was getting fired and that they would be getting a raise.

Kim: Never heard of such a thing in my life. This is ridiculous!

Jay Finch: About your behavior in a public office?

Kim: Yes, like you can't have a public forum and not let anyone speak.

Jay Finch: This is about you, not about them.

Kim: It's a bunch of bologna.

Jay Finch: You can run for Mayor later.

Kim: I am not running for Mayor.

Jay Finch: Did you tell anyone that, I don't care what you think, if I didn't say it then it doesn't apply.

Kim: No. No. Go ahead.

Jay Finch: Intimidating and liberating employees against each other for your own benefit?

Kim: No.

Jay Finch: When employees are brought in they are told by you, be careful who you talk to, trust no one.

Kim: No.

Jay Finch: Coming in after hours to go thru employee's desks and their personal items.

Kim: I would 16 hour days at city hall trying to keep up with the garbage I think two other treasurers had to go through. Do you really think I have an opportunity to go through somebody's desk?

Jay Finch: I don't think one way or the other.

Kim: Look how many employees are here right now to support me.

Jay Finch: Retaliating to anyone who threatens her in any way, shape or form.

Jay Finch: Did you do that?

Jay Finch: Controlling others, forming your own personal opinions making them feel as if their way of thinking is not valid? Do you not think that that is really overcoming?

Kim: Judge, this is ridiculous!

Jay Finch: Controlling the tools of the front office needed for business purposes and not letting others use them.

Kim: I am in charge of purchasing, number one. And when someone has an issue with the printer, they call me. Nicole just said, hey I hate my printer, can you get me another one. So do I sign the contracts for and maintain the printer and everything else, yes. And the laminator, I supplied for the city, because I am the City Treasurer and I do purchasing, yes. So is that my job, yes.

Jay Finch: Alright, does anybody else from the Council got anything?

Kim: What was the question, Mary Ann? I'm Sorry.

Mary Ann Winters: On this USDA.

Jay Finch: She just said Mary, she has never seen that. We can only address the issues she has seen.

Crowd: That is your opinion Judge.

Jay Finch: My opinion matters.

Kim: If I may, we are right now currently in our 2014 water and sewer audit right now. They just came in about a month ago and just picked up all of the paperwork on that. So I do not know if that is some of the stuff that they are requesting, I don't know.

Larry Fletcher: I am sorry (for falling). I wasn't here to start when the ground work was laid for the rules, so if I made add here just a little bit. I don't know why we are having this meeting. I don't know what we are going to accomplish in this meeting. I truly wasn't prepared for this, what is taking place here. This is all made of two people who can't communicate with each other. And if the lines of engagement could bring defined on their own, apparently it wasn't. Where we go from here, I have no idea. We aren't going to vote. Nothing to vote on here. Treasurer duties are clearly outlined by City Ordinance. They are clearly outlined by State Law. The sad part about all of this is, they Mayor is not here and you are reading off of a piece of paper. Just like getting an email from someone. An email doesn't warrant a discussion or show facial expressions or hand signals. So I don't know what it is causing all of this to come about. I would like to read the statements from those two or three ladies that you and he visited with last Friday to see what that is all about. To me this seems like a trial and I don't know what we are accomplishing.

Jay Finch: Well as an unfortunate aspect of me being a retired judge, many people think this is like a trial. I will say this, when it came time for us, when we realized the city needed a manager for the administrative offices for the city, not just financial but the administrative to. I strongly urged the employment of Kimberly. I actually stopped following as closely as I had been, what was going on at the city because I was under the impression that she was running things and things were running well. I had placed a lot of confidence in her, I personally hoped and believed that the city would function properly with her managerial knowledge. I was astounded beyond belief at some of the things that people were saying in City Hall. Whether they are true or not. Whether somebody feels intimidated or not. Most of the people in City Hall felt that they were intimidated by Kimberly. They would not come and talk to the Mayor because she told them not to. They would not come and talk to me because she told them that she had me under her wing. So that was the type of situation that I became aware of.

Now I was not firsthand knowledge of any of this. And it breaks my heart, frankly that our City has to go through this. I did not call this meeting, the Mayor called this meeting. The reason that he did so, is because he was aware that there was a lot of telephone tree gossip going on in the City about who said what and who did what and when. And so he wanted the City Council to be aware of his point of view what had happened. So that is why we are having this meeting. You are right, there will be no action taken at this point in time.

Larry Fletcher: Kim, what do you see, what happened when we passed the ordinance? Was it to combine the Treasurer and the Recorder?

Kim: Yes. That is correct.

Larry Fletcher: And it's set out in the ordinance your duties and these are your duties here of the Recorder/Treasurer duties. We paid you a salary, I don't know what it is and it's not important, to do work for the City other than Treasurer. What we have apparently failed to do, the City Council or the Mayor, is to define specifically what those duties are. Would you kind of go over what you think those duties are which cause us to pay you the amount of salary we do, versus the City Recorder, because that's by law.

Kim: You took a City Recorder position and a City Treasurer position and combined two positions to make one. And that is what you just said. Correct?

Larry Fletcher: Yes.

Kim: And what the City Recorder does, is they are responsible for all of the City records, which would be your ordinances, your resolutions, your minutes. They are also responsible to notify the media during council meetings, during special meetings. Now there is more for the Recorder, but that is just kind of a brief description.

Larry Fletcher: Now I want to go to the employee portion of your job, where we pay you as an employee.

Kim: I don't get paid as an employee. I don't do any employee jobs. They took that away from me when I was office manager, so I don't do that anymore.

Jay Finch: You did that up until the time as such disruptions were occurring at City Hall where the Mayor decided to remove you.

Kim: That is hearsay.

Larry Fletcher: Now let me finish. Kim, what is your salary?

Kim: I make \$45,000.

Larry Fletcher: I can't believe you make \$45,000 just to be the Treasurer/Recorder. I know one lady here who had one of those jobs and we certainly weren't paying her \$45,000.

Kim: She was just the City Recorder.

Larry Fletcher: And then before her, the Treasurer was making how much?

Kim: I am not sure what Penny was making.

Larry Fletcher: So if we brought you on and paying you so that you would function as a city employee in addition to those two job duties. And the reason I want to harp on this, is because I think this is where the rub is, is that your perception of those job duties is what you've been doing. Apparently now, the Mayor says that Kim, you are not going to go on and be where you've been with the City. Do you follow me?

Kim: Yes. I agree.

Larry Fletcher: Do you think that is what he's done? I mean I don't know.

Kim: I don't know what he has done. But from what I understand is that he took this position, that there is a great job description on the Recorder, there's a great job description on the City Treasurer. Then you take those two and you combine them, that's what my job is. Because there has never been anything that is completely outlined with what the employee side is. So I have been doing what these two positions combined together is.

Larry Fletcher: Plus, other combined duties. Now what has he taken away from those assigned duties?

Kim: The only thing that he has taken away is the overseeing of the front office girls. That is, it. He has taken away for when they call in sick, I don't have to say ok, you need time off or you need this. Because they still have to call me and say hey how much sick time do I have or how much of this do I have.

Larry Fletcher: What is your job duties when it comes to deal with the budget? What do you perceive those job duties as?

Kim: As right now I have not been even involved in the budget.

Larry Fletcher: What do you perceive your job duties in the past with the budget? Is there any part of you taking care of the budget?

Kim: Tom and I we set down and we really put our numbers together looking at the budget and were we are at. And Tom and I code every invoice that comes in and pay off of that code. And I put it in QuickBooks accordingly as what it is, given to me either by Charlie Holyfield, which codes bills. And Tony, is our water supervisor, he codes all of the water and sewer bills. So that way he can tell me whether it is a water and sewer bill and where it needs to be spent.

Larry Fletcher: Do you still have those responsibilities?

Kim: Everything has been taken away from me since Thursday. I have absolutely no access to city email, he has taken QuickBooks away from me. He has locked me out of City Hal.

Marc Williams: This does not sound legal.

Kim: He told the police officers that if I came in on Thursday that he would have me arrested.

Larry Fletcher: Was there some event or something that set this all off to begin with?

Kim: Wednesday when he called me into his office, he just blatantly said, you need to either be Team Travis or you are Team Joey. And I said I am sorry, but I don't agree with what happen to Joe. I said so no, I don't agree with you. I am not picking sides. We need to do the right thing for the City of Cave Springs. There is no sides. And he may or may not know this, but judge you probably need to listen to it, I recorded that entire conversation that Travis and I had. And I was pretty straight. Because you cannot even have a conversation with Travis without him recording it and everybody knows that.

(A member of the crowd tried to speak up)

Jay Finch: This is not an open forum.

Larry Fletcher: He is correct.

Kim: Being that you asked me that question, I am going to tell you. Like I said I lost access to everything on Thursday around 2:30 and I got an email today from Travis saying that he did bring back everything. That I have my email access back, I have QuickBooks back. I tried to log into QuickBooks this afternoon and when I did, I got this notice (presents paper to council) that says that someone is already logged into QuickBooks under my username and password. And also it says that the last update on QuickBooks was done on 9/4. So somebody had been in to QuickBooks and done some modifications on 9/4.

Larry Fletcher: In moving forward, what needs to be done to correct this, so that our little town does not go under and can just get on getting on?

Kim: Here is our dilemma and I am just going to throw this out there. I am going to advise in front of council that there be an audit. From what I've saw on QuickBooks, someone has been on QuickBooks under my administrative passwords Thursday to now. And it shows that. Somebody was still logged in under an administrative password when I tried to log in around 5pm this afternoon. And on top of all of that, it shows there has been financial changes done on 9/4. So somebody has been into QuickBooks altering QuickBooks while I have been out. So what I request is an internal, not an internal, but I am requesting an audit from an outside source. Because I have also been told on Friday that he went into my office with him and another Police Office, which we have already discussed, were in my office on Friday and there were documents being shredded.

Jay Finch: Is that hearsay?

Kim: No sir.

Jay Finch: You saw it?

Kim: I did not see it, but I know who said it and this person is a reliable source.

Jay Finch: So it's hearsay.

Kim: No its not. I will subpoena them.

Jay Finch: Did you see them?

Kim: Don't worry about it.

Jay Finch: If you didn't see it, it's hearsay.

(crowd continues talking)

Mayor Travis Lee

Kimberly Hutcheson, City Recorder